



## **MEMORANDUM**

**To: PLANNING COMMISSION**

**Date: March 27, 2007**

**From: COMMUNITY DEVELOPMENT DEPARTMENT**

**Subject: ZONING AMENDMENT APPLICATION, ZA-07-04: CITY OF MORGAN HILL-DOWNTOWN PARKING EXEMPTION.**

### **REQUEST**

Request for an amendment to the Morgan Hill Municipal Code, Title 18, Section 18.50.027 extending the sunset date for the exemption for on-site parking requirements for commercial/office uses within the Downtown area.

### **RECOMMENDATION**

Environmental Assessment:	A Mitigated Negative Declaration was adopted in conjunction with the Downtown Plan, which addressed actions necessary to implement the Plan such as parking standards.
Application ZA 07-04:	Recommend City Council approval of the proposed amendment as shown in Exhibit "A" of the attached resolution.
Processing Deadline:	N/A – The Permit Streamlining Act does not apply to legislative acts.

### **BACKGROUND**

The 2003 Downtown Plan calls for changing parking requirements in order to stimulate development in the downtown area. The suggested changes were to eliminate the on-site parking requirement for commercial use (1 space per 250 square feet) and to eliminate the guest parking requirement for residential uses (1 space per 4 units).

In 2004, the Planning Commission and City Council considered an ordinance to accomplish these suggestions, but the ordinance was not adopted at that time because it was decided that a downtown parking management plan should first be prepared to ensure parking supply and demand factors were studied, and measures/actions identified to ensure that long-term parking needs would be met downtown as it develops.

The Planning Commission reviewed a draft downtown parking management plan in June of 2005. The Commission had concerns with some of the assumptions associated with demand projections and the plan was not completed. It was agreed that more work needed to be done on the parking management plan to identify realistic assumptions, determine the actual projected loss of on-street parking due to Third Street and Depot Street improvements, and identify strategies for increasing and improving the public parking supply.

In July of 2005, the City Council adopted amendments to the parking ordinance that allow for commercial and residential guest parking exemptions for Measure C allocations awarded and commercial site review approvals obtained on or before March 1, 2007. This allowed for two years worth of competitions to occur, while the City and Redevelopment Agency work toward defining a more comprehensive strategy and funding for increasing and improving the downtown parking supply.

In November of 2006, the Redevelopment Agency amended the Redevelopment Plan. Among other things, the Plan Amendment increased the Agency's tax increment cap and reauthorized bonding. One of the goals of the Plan Amendment is to focus on projects needed for economic development, rehabilitation and infrastructure, particularly in the downtown. This is an important funding source that can be used to augment parking supply in the downtown. Further, in February of 2007, the City Council/Redevelopment agency adopted this policy for downtown: "Council and the Redevelopment agency commit to invest \$20 million in public infrastructure over the next five years to revitalize the downtown and stimulate private investment and reinvestment." At its March 21, 2007 meeting, the City Council committed to spending a significant portion of the \$20 million on the following lighting and parking improvements:

#### Lighting

- Add/enhance parking lot lighting
- Improve lighting on side streets
- Improve lighting on Monterey
- Add tree lighting
- Add lighting to Monterey median

#### Parking

- Develop new sites for parking including land acquisition and construction
- Consolidate existing parking (private and public lots)
- Secure long term leases for existing/new parking lots
- Improve existing parking lots
- Develop structured parking and/or underground parking lots

Included in the Community Development Department's work program this year is an update of the 2003 Downtown Plan. On March 21<sup>st</sup>, the City Council authorized the City Manager to negotiate a contract with a planning consultant to prepare an update to the plan. The parking management plan will be completed in conjunction with the Downtown Plan update.

### **CASE ANALYSIS**

Since adoption of the temporary parking exemption, the City has granted residential allocations for nine projects totaling 363 units (see attached map). The commercial space included within the mixed use allocated projects comprises approximately 57,000 square feet. Aside from the RDCS projects, staff is aware of two other commercial projects that have benefited from the temporary parking exemption: a 4,000 square foot office building on Myrtle Avenue and a restaurant conversion on Monterey Street.

Last year, the Metropolitan Transportation Commission (MTC) selected Morgan Hill as one of eight Bay Area cities to participate in a study of how to reform parking policies to support smart growth around transit hubs and town centers. As part of the case study, a transportation engineer conducted parking counts last July. A draft analysis has been made available to planning staff which in part, compares counts taken in 2004 with those taken last summer. Preliminary data from those counts indicates that overall parking demand on both weekends and weekdays has remained fairly stable.

Staff is proposing to extend the "sunset clause" for the parking exemption for a period of two years. This will allow for completion of the Downtown Plan update, as well as any necessary implementing ordinance amendments. Approval of the exemption may apply to future projects receiving Measure F allocations depending upon when the City Council establishes the application date for such projects.

### **RECOMMENDATION**

Staff is recommending that the Planning Commission recommend City Council approval of the zoning amendment.

### **Attachments:**

Resolution  
Downtown RDCS Map

**RESOLUTION NO. 07-\_\_\_\_\_**

**A RESOLUTION OF THE PLANNING COMMISSION OF  
THE CITY OF MORGAN HILL RECOMMENDING  
APPROVAL OF AN AMENDMENT TO THE MORGAN  
HILL MUNICIPAL CODE, TITLE 18, SECTION 18.50.027,  
EXTENDING THE SUNSET DATE FOR THE  
EXEMPTION FOR ON-SITE PARKING REQUIREMENTS  
FOR COMMERCIAL/OFFICE USES WITHIN THE  
DOWNTOWN AREA.**

**WHEREAS**, such request was considered by the Planning Commission at its regular meeting of March 27, 2007, at which time the Planning Commission recommended approval of application ZA-07-04: City of Morgan Hill – Downtown Parking Exemption; and

**WHEREAS**, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

**NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES  
RESOLVE AS FOLLOWS:**

**SECTION 1.** The proposed zoning amendments are consistent with the Zoning Ordinance, Downtown Plan and the General Plan.

**SECTION 2.** The proposed zoning amendments are required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.

**SECTION 3.** A Mitigated Negative Declaration has been adopted in conjunction with the Downtown Plan and the proposed zoning text amendment implements a recommendation contained in the Downtown Plan; therefore, no further review is required for compliance with the California Environmental Quality Act.

**SECTION 4.** The Planning Commission hereby recommends City Council approval of the text amendment to Section 18.50.027 as shown in Exhibit “A.”

**PASSED AND ADOPTED THIS 27<sup>th</sup> DAY OF MARCH, 2007, AT A REGULAR  
MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:**

**AYES:            COMMISSIONERS:**

**NOES:           COMMISSIONERS:**

**ABSTAIN:       COMMISSIONERS:**

**ABSENT:        COMMISSIONERS:**

**ATTEST:**

**FRANCES O. SMITH, Deputy City Clerk**

**APPROVED:**

**ROBERT J. BENICH, Chair**

## EXHIBIT "A"

### **18.50.027      Exemption for downtown projects allocated/reviewed by March 1, ~~2007~~ 2009**

For lots of record located within the Downtown Area Residential Density Control System (RDCS) Boundary area (as described by a map on file with the City Clerk), there shall be no requirement for provision of on-site parking for commercial/office uses. This exemption applies only to projects which receive site review approval or are awarded RDCS building allocations on or before March 1, ~~2007~~ 2009. (Ord. 1734 N.S., § 4, 2005)

